

August 1, 2013

**MINUTES OF A REGULAR MEETING OF
THE ENVIRONMENTAL QUALITY AND
ENERGY CONSERVATION COMMISSION**

1. CALL TO ORDER

The Torrance Environmental Quality and Energy Conservation Commission convened in a regular session at 7:01 p.m. on Thursday, August 1, 2013 in the West Annex meeting room at Torrance City Hall.

2. ROLL CALL:

Present: Commissioners Chim, Deemer, DeWitt,
Gobble, Martin, and Chairperson Griffiths.

Absent: Commissioner Robbins.

Also Present: Deputy Community Development Director Cessna.

MOTION: Commissioner DeWitt moved to grant Commissioner Robbins an excused absence for the August 1, 2013 Commission meeting. Commissioner Gobble seconded the motion; a voice vote reflected unanimous approval.

3. SALUTE TO THE FLAG

Commissioner Chim led the Pledge of Allegiance.

4. POSTING OF THE AGENDA

MOTION: Commissioner Gobble, seconded by Commissioner Deemer, moved to accept and file the report of the secretary on the posting of the agenda for this meeting; a voice vote reflected unanimous approval (absent Commissioner Robbins).

5. ORAL COMMUNICATIONS FROM THE PUBLIC

None.

6. APPROVAL OF MINUTES

**6A. MINUTES OF JUNE 6, 2013 COMMISSION MEETING AND JUNE 11, 2013
JOINT MEETING OF THE COMMISSION AND CITY COUNCIL**

MOTION: Commissioner DeWitt moved to approve as submitted the June 6, 2013 Commission meeting minutes and June 11, 2013 joint meeting with City Council minutes. Commissioner Martin seconded the motion; a voice vote reflected unanimous approval (absent Commissioner Robbins).

7. ENVIRONMENTAL MATTERS

7A. RECOMMENDATION THAT THE ENVIRONMENTAL QUALITY COMMISSION FORWARD A RECOMMENDATION TO CITY COUNCIL SUPPORTING THE CITY'S PARTICIPATION IN THE CALIFORNIA PACE HERO PROGRAM

Deputy Director Cessna introduced the item and welcomed Mr. Dustin Reilich, California PACE HERO Program.

Mr. Reilich provided a PowerPoint presentation regarding the California HERO Program that is designed to create jobs as well as aid and encourage green improvements by homeowners and small businesses through the use of PACE (Property Assessed Clean Energy) financing. He provided background regarding passage of Assembly Bills 811 and 474 that allowed the PACE program to be offered. He explained that the program allows property owners to finance renewable energy, energy and water efficiency improvements, and electric vehicle charging infrastructure and a city, with no risk, to opt into the program for its residents with adoption of a resolution.

He described the success of the program in Western Riverside County and stated that Western Riverside Council of Governments is the bond conduit issuers and has partnered with South Bay Cities Council of Governments (SBCCOG) to bring this program to the City. He noted that a resolution would approve an Amendment to the Western Riverside Council of Governments Joint Powers Agreement to add the City as an Associate Member to allow the program to be offered to property owners.

He explained that the program provides access to financing to those property owners who want to make clean energy upgrades. He noted that PACE assessment and payment obligation stays with the property and participants agree to repay the amount borrowed through their property taxes every six months. He added that property owners may choose to pay off the assessments at any time, subject to applicable prepayment penalties.

He presented qualification requirements for property owners as well as contractors. He provided an overview of benefits to the property owner that include ease of eligibility, reduced utility bills, 100% voluntary, payment obligation stays with the property upon transfer of ownership, prepayment option, and customer oriented program. He discussed benefits to the City that include creation of local construction jobs, help meet AB 32 2020 requirements, little or no staff time, increase in property values, and increase in sales, payroll and property tax revenue. He explained how a jurisdiction joins the program and requested that the Commission concur with staff recommendation to forward a recommendation to City Council supporting the City's participation in the California PACE HERO program.

Commissioner Gobble inquired about the cost to consumers, and Mr. Reilich noted that the cost of funding is much less than other avenues available, adding that there are no appraisal fees. He stated that there is an upfront 6.35% fee that takes care of all the partners involved in the program. He noted that participants can solicit bids from as many participating contractors as they want and that contractors are funded weekly.

Responding to Commissioner Deemer's inquiries, Mr. Reilich explained that cities are required to adopt a resolution because the program is Property Assessed Clean Energy (PACE) financing under AB 811 that has been made available to cities. He discussed AB 32 requirements by 2020 and noted that PACE is just another avenue or tool for contractors to be able to finance projects for property owners. He noted that in Western Riverside County consumers have saved \$252,000,000 on their energy bills.

Chairperson Griffiths inquired about administrative costs and legal fees, and Mr. Reilich stated that 6.35% is passed on to the consumer upfront. He pointed out that the program is a public-private partnership and there is no government funding. He added that interest rates are based on the term and useful life of the product.

In response to Chairperson Griffiths' inquiry about publicity, he stated that 95% is through contractors and word of mouth, but cities may also choose to promote the program.

Responding to Commissioner Chim's inquiries, Mr. Reilich showed examples of energy efficiency upgrades and available products, noting that a complete list can be found on www.herofinancing.com. He discussed competitors, the difficulty that cities face in attempting to administer their own program, and noted that Cities of Hermosa Beach and Lomita have already passed resolutions endorsing the HERO program.

Commissioner DeWitt suggested that support should be tied in with one of the City's action items, such as the Climate Action Plan. He stated that he feels uncomfortable supporting just one company and expressed interest in seeing other competitive companies.

Mr. Reilich stated that they offer a non-exclusive program, that most competitors are more commercial based, and to expect a proposal from the company Fig Tree.

Commissioner Gobble stated that this is a wonderful opportunity, that the fees are reasonable, and a good program to serve Torrance.

Chairperson Griffiths stated that it is a great tool that Torrance citizens should have available to them to make energy efficient upgrades and that it would result in a net improvement to the City. He added that he sees no liability and that it is up to the customer to choose if they want to participate, adding that the City should promote it.

Deputy Director Cessna pointed out that SBCCOG has vetted the program and recommends it, noting that it is a matter of who is out there right now with the ability to offer the PACE financing. She stated that the HERO program focuses more on the residential sector than other competitors and that staff determined that there is no way they could offer a similar program on their own.

In response to Commissioner Gobble's inquiry, she related her understanding that the partnership with Western Riverside County is a mechanism through which the funding flows, adding that she is not aware of Los Angeles County offering this opportunity at present. She stated that staff can present information about the program and financing mechanism to consumers but cannot recommend it or any particular contractors.

Commissioner Chim received clarification that the City is not endorsing or recommending the program but is providing an option to allow residents to have access to a form of funding if they choose to take advantage of it.

MOTION: Commissioner Gobble moved to recommend to City Council that it support the City's participation in the California PACE HERO program. Commissioner Deemer seconded the motion; a roll call vote reflected unanimous approval (absent Commissioner Robbins).

7B. REVIEW OF TEQECC WORK PLAN BASED ON FEEDBACK FROM COUNCIL AT JOINT MEETING

Deputy Director Cessna reported that staff would present options regarding beekeeping and urban farming regulation at the October Commission meeting and are getting more information from SBCCOG in terms of moving forward with Climate Action Planning. She asked Commissioners, based on feedback from the June 11 joint meeting with City Council, to determine and prioritize which goals they want to address.

Commissioner Gobble stated that he would like to hear from both sides regarding bee and chicken keeping and to keep Climate Action Planning on the forefront.

Commissioner Deemer recommended addressing Temporary Sign Enforcement sooner than the other goals because it affects City businesses more directly.

Commissioners related their understanding that City Council did not want the Commission to address this goal, and Deputy Director Cessna advised that a larger sign code would be looked at with the zoning code revision in summer 2014.

Commissioners recalled that at the joint meeting there was discussion regarding holding public hearings on Outdoor Smoking, Leaf Blower Regulation, and Beekeeping and Urban Farming.

Deputy Director Cessna recommended holding hearings on one topic at a time and to schedule beekeeping and urban farming first. She offered to contact the Daily Breeze and homeowners associations to publicize hearings but noted that getting a broad scope of opinions may be difficult.

Commissioner DeWitt raised the possibility of holding a town hall meeting or series of conversations to encourage more participation from community members.

Commissioner Gobble stated that it was important for staff to bring back beekeeping options that are enforceable and to hear opinions from both sides. He suggested addressing bees at one session and chickens at another.

Jim Montgomery, Via El Chico, discussed many of the benefits of beekeeping and urban farming and the importance of educating the public.

Commissioner Deemer stated that he would like to learn about the history of the City in the 1960s and 1970s when agriculture and more animals were allowed and reasons why they were prohibited.

Commissioner Chim related her observation that City Council was interested in the Commission addressing leaf blower regulation but that they needed to decide if they are focusing on noise or pollutants. She noted that Councilmembers were only interested in the possible banning of outdoor smoking in dining areas and that they expressed concern about enforcement efforts for garage sales.

8. NEW BUSINESS

9. ORAL COMMUNICATION

Items 8 and 9 were combined.

9A. Jim Montgomery, Via El Chico, expressed his support for the California PACE HERO program and suggested listening to a presentation from Fig Tree as well.

9B. Commissioner Gobble requested an update on the green waste program.

9C. There was a consensus of Commissioners to adjourn the meeting to September 5, 2013.

9D. Commissioner Deemer stated that the City of Long Beach has decided not to go forward with urban farming regulation at this time and that it would be helpful to know why.

10. ADJOURNMENT

MOTION: At 8:39 p.m., Commissioner Gobble moved to adjourn the meeting to September 5, 2013 at 7:00 p.m. in the West Annex meeting room. Commissioner DeWitt seconded the motion and, hearing no objection, Chairperson Griffiths so ordered.

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Approved as amended September 5, 2013 s/ Sue Herbers, City Clerk
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